(c) whether any negotiations have been held with regard to Preferential Trade Agreement (PTA) as the part of FTA; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (d) Sir, India has not initiated negotiations for entering into Free Trade Agreement (FTA) with Brazil and South Africa. However, negotiations have been concluded for a Preferential Trade Agreement (PTA) with MERCOSUR (comprising of Brazil, Argentina, Paraguay and Uruguay) and negotiations are underway for a PTA with South African Customs Union, SACU (comprising of South Africa, Botswana, Lesotho, Namibia & Swaziland). India-MERCOSUR PTA and its Annexes have been signed on January 25,2004 and March 19,2005 respectively. Under this PTA India and MERCOSUR will grant tariff concession to each other on 450 and 452 tariff lines respectively. The PTA will come into effect after ratification by the legislatives of MERCOSUR countries which is awaited from Argentina and Brazil.

SEZs approved for Haryana and Uttarakhand

863. SHRI HARISH RAWAT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) how many SEZ proposals have been approved for Haryana and Uttarakhand;

(b) which are the major industrial activities for which SEZs have been approved in Uttarakhand and Haryana separately; and

(c) whether there is any proposal to set up a tourism SEZ in Uttarakhand?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) In Haryana, 32 Formal approvals for setting up of Special Economic Zones for Electronic Hardware/IT/ ITES, textiles, engineering, bio-technology, and multi-services have been granted. In Uttarakhand, 3 formal approvals have been granted for IT/ITES and multi-product SEZs.

(c) No, Sir.

Low share exports in international trade

864. SHRI O.T. LEPCHA: Will the Minister of COMMERCE **AND** INDUSTRY be pleased to state:

(a) whether it is a fact that our country's share of export is very low in the international trade market;

(b) if so, the reasons therefor; and

(c) the details of action taken by Government to increase our exports in the international market?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) As per the latest data available from WTO, India's share in the world merchandise exports increased

from 0.8 per cent in 2003 to 1 per cent in 2006. The Jow share is primarily on account of constraints like infrastructure] bottlenecks, high transaction costs and inadequate emphasis on product quality, brand image, delivery and after-sales services.

(c) Export promotion is an ongoing endeavour of the Government and initiatives are taken from time to time in accordance with the Foreign Trade Policy and its Annual Supplements. These initiatives include bringing into force the SEZ Act, 2005 with effect from 10-2-2006, giving a major thrust to procedural simplification for reducing the transaction cost of exporters. Other initiatives include Focus Product Scheme, Focus Market Scheme, Vishesh Krishi and Gram Udyog Yojana, Duty Entitlement Passbook Scheme, Export Promotion Capital Goods Scheme etc.

Extent of FDI in retail

865. SHRI MATILAL SARKAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the extent to which the FDI has made entry into the retail sector in India;

(b) the number of organised establishments and the number of unorganised establishments in the retail markets of the country;

(c) the steps that Government propose to take to safeguard the position of the unorganised establishments providing employment to Crores of people; and

(d) the steps that Government propose to take to safeguard the interests of the domestic retailers from the hands of the giant foreign retailers?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) No Foreign Direct Investment (FDI) is permissible in retail sector. Government has however, allowed FDI up to 51%, with prior Government approval, in retail trade of 'Single Brand' products with the following conditions:

(i) FDI up to 51% would be allowed, with prior Government approval, for retail trade of single Brand Products; (ii) Products to be sold should be of a

'Single Brand' only;

(iii) Products should be sold under the same brand internationally;

(iv) 'Single Brand' product-retailing would cover only products which are branded during manufacturing.

Till August 2007,18 applications involving an investment of US$ 3.31 million have been approved.

(b) Government does not maintain any centralised information on the number of organised and unorganised establishments in the retail sector.

(c) and (d) The present policy allows FDI only in Single Brand Retail Trade. Products sold under Single Brand Retail with FDI cater to the brand-conscious, young, middle class clientele having a different niche as compared to that served by the small traders. Hence, FDI in retail trade of single brand products is not expected to affect the existing small traders.